

## BUSINESS ENVIRONMENT OF SMALL FIRM USED THE INTERNET IN THAILAND

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### ABSTRACT

*Firm level competitiveness influence country level competitiveness. Thailand (2014), more than 95 percentages of firms is small firm (1-9 employees). Small firm used the internet to increase business activity by globalization. The use of the internet more than 19.20 percentages of all small firm. This article aims to describe business environment of the internet using of small firm in Thailand. The selected setting is northeastern region of Thailand, because majority of small firms are there. Qualitative design was done. The eligible participants were selected by snow-ball and convenience sampling. Data was collected from participatory observations and in-depth interview. The key informants were residents within establishment, owner/managers, expert academics, government and agent from Office of the National Broadcasting and Telecommunication Commission (NBTC). The results found that the driving forces of the use of the internet include: (1) Characteristic of small firm, (2) Environment of small firm used of internet. The result will be guide to define characteristics for study the competitive performance of small firm used the internet next times.*

**KEYWORDS:** *The Use of the Internet, Small Firm, Business Environment, Northeastern Region of Thailand*

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### INTRODUCTION

#### Background/ Objectives and Goals

Modern communication technology has changed a lot. Two ways data exchange immediately more quickly. As a result, the public is more widely used. In 2015, Thailand into the Asean Economic Community (AEC). AEC will have a combined population of about 500 million people which would be both producers and consumers in 10 countries. Digital or internet user population of 199 million people. It is likely to increase to 294 million in 2020 (interest business newspaper dated 17-23 November 2014) where these populations in the electronic commerce (e-Commerce) is the marketing resources that firms need to focus on that. As a result, these firms have adopted technologies that are used to manage more. In 2012, a total of 2,254,869 firms, found that the use of the internet is 433,314, representing 19.2 percent of all firms. There are people who use the internet to work routines. (An average of at least 1 time per week) was 1,655,719, or an average of 3.8 people per business. Considering the size of the operator was found to have a small firm (1-9 employees) of 2,142,629, representing 95 percent of all firms. With the use of the internet, there are 360,990 accounted, People who use the internet to perform a total of 836,034 people compared to large firm (200 employees up) with a total of 4,245 accounted for 0.2 percent of all firms. The number of internet users in 4,142. The number of people who use the internet to perform a number of 307,287 people (NSO, 2012). From the above it can be seen that the small firms were very.

Use of the internet is over. It is an interesting phenomenon to study a number of small firms which is most in Northeastern region. Small firm in this region up to 617,790 but there is only 59,953 firms use the internet. It presents 9.7 percentage of all firms.

**Table 1: The Number of Firms by Size**

Size of Firm (Employees)	Amount (Firms)	Percentage
1-9	2,142,629	95
10-15	52,540	2.3
16-25	24,144	1.1
26-30	5,725	0.3
31-50	11,760	0.5
51-200	13,826	0.6
> 200	4,245	0.2
Total	2,254,869	100

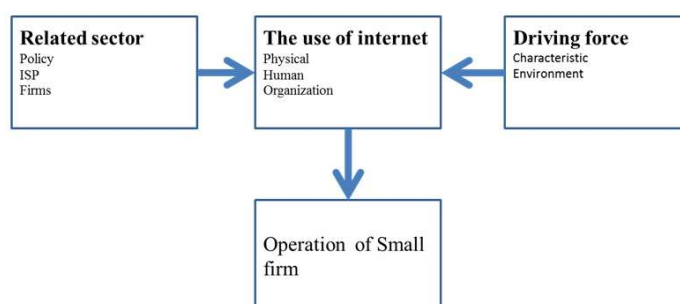
NSO. (2012)

Government policy is to promote access to the internet that include: (1) Master plan ICT 2015 of the AEC focused on reducing disparities in internet access between Member States. (2) Thailand Information and Communication Technology Policy Framework (ICT 2020) of the Ministry of Information and Communication Technology (ICT) development in a balanced manner taking into account the three dimensions, social, economic and environmental dimension. With a focus on expanding broadband internet access to the public in 2015, 80 percent of the entire country, and in 2020 increased to 95 percent of the entire country. (3) Universal Service Obligation (USO 2010) of the NBTC is focused on expanding access to the three groups that lack access, no network, no money and needlessly. These projects, to help organizations and the general public can access the internet even more equal. However, due to the promotion of access to internet of small firms still have several limitations when competing with the transition to the digital economy increase, resulting in a service system. Basic internet is not as effective as it should be. If you consider the ICT policy, The digital divide is closely linked to traditional access methods. It is a paradigm for information technology. A user does have and not have (Srinaun and Teppayayon, 2011). Aimed at the advancement of modern technology to describe and analyze the causes accessibility of services. The process of building and creating. Therefore, the information technology policy of the state is focused on using a lot of resources to support access providers. Focus on increasing the area service. It is set to receive the service. This is a paradigm that solves the problem, not covering the whole process. Unable to solve information technology in organizations and the public in Thailand seriously.

A paradigm shift in the use of information technology for businesses was made since the late 90s. The US Department of Commerce has published a report entitled Digital Economy, and this report has become the beginning of the term. "Digital economy" Bill Clinton announced in 1998 that the WTO itself is changing to digital economy (Don Tapscott, 1995). The principle is to facilitate the economic activities. It offers great value and performance tends to be better than the extensive information. Understanding that will help establish a more market-oriented strategy. The new paradigm has developed a perspective on the use of information technology. That means using the internet wisely. There is plenty of information is not meant to be a real competitive advantage. If you have the ability to select and analyze data better and faster than it has competitive advantages (Alvin Toffler, 2006). These firms use the internet as a feature to increase competitive performance (Simpson & Paula, 1997; Premkumar, 2003), which would lead to strengthening the domestic economy further.

This paper seeks to understand the characteristics of small firm used the internet in Thailand. The purpose is to study what causes the driving force of the development of small firms that use the internet, The impact of the operation resulting from the use of the internet. Therefore, this paper will indicate the links and relationships between the various aspects include a characteristics of small firm. The results found that the driving forces of the use of internet.

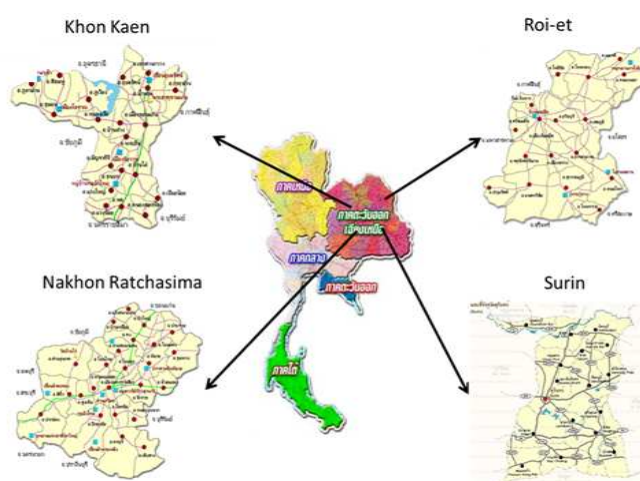
This study will explain how the characteristics of the small firms are associated with the use of internet. And the environment associated with the use of internet-based resources of small firms like. The objectives of the study include, 1) To study the characteristics of the small firm in the Northeastern Thailand. 2) To study the environment of the small firm used the internet in northeastern Thailand.



**Figure 1: Theoretical Framework**

## METHODS

This research uses qualitative research. Objective to study the characteristics and environment of the small firm used the internet. The use of the internet has been involved in business activities. This research is an area in the northeastern region of Thailand. Data is collected from both the academic and non-academic. The in-depth interviews with key informant about such experts, academics and owners or managers of small firm used the internet to conduct business activities. The interview guideline is a tool. Verify accuracy of data with triangulation process, to ensure the accuracy of data from multiple heterogeneous sources. Then categorize the data based on a study to assess the accuracy of the data analysis. Compare all the issues to a conclusion. The content analysis was used for data interpretation and synthesis of a variable. The final results of the analysis were presented as descriptive data found that in accordance with the theoretical framework.



**Figure 2: Research Areas in the Northeastern Region of Thailand**

## RESULTS

The results found that the driving forces of the use of the internet. It is a relationship between characteristic, environment and internet resource, physical, human, organization.

### The Definition of Small Firm

Firm concepts related to economics with researchers studied a lot. Explained that managers of enterprises who use other people's money than of their own. Tend not to pay attention to the small matter. Negligence is over but the success of management may be less than. Such operations, So do not achieve as well as their own regulators (Smith, 1776). Characteristics of the owner or manager is a feature of the firm who are involved a successful, But adapt to change with unforeseen events such as, Ownership structure, The nature of the market, the technologies being utilized (Morris, 2000).

Theory of the firm is abstract in the world of reality. Which is designed to address the specific characteristics and behavior of firms (Machlup, 1967). Firm is a black box operation conditions. Factors associated with the production and profit (Michael C. Jensen, 1998). A coordinated manner within the business, An organizational structure The role of the management and allocation of rights to make the right decision, The scope of business related to the theory of innovation, The combined knowledge of many experts, This knowledge is already in a party, But the business is the application of that knowledge to create that much (Grant, 1996; Gregory, 2013). That is the foundation for the theory of any business. The first is a set of basic model for the development of a logical structure associated with behavioral performance and the fact that the existence of the firm. Characteristic of the small firm, these include the size, type and age of the business, and so on.

The definition of a small firm focused on the number of employees (OECD, 2008). Small sized Enterprises with between 1-49 employees, while Medium sized Enterprises have employed between 50-100 employees (Mustafa & Gashi, 2006). Small firm is independent entrepreneurs spontaneous, employees less than 500 people (SBA, 2011). The firm employs 100 people in the United States of Europe, the size is medium sized businesses with up to 99 percent (Juontunen et al., 2010). The amount of employees include the owner, Micro firm employs 0-4 people, Small firm employs 5-19 people, Medium firm employs 20-199 people and large firms employs 200 people or more (Schaper, 2006). Micro employs fewer than 10 people, Small employs fewer than 50 people, Medium employs 50-200 people, Large employs 200-500 people, Very large employs more than 500 people (Jones and Rowley, 2009). Thailand divided the firm by number of employees include, 1-9 employees, 10-15 employees, 16-25 employees, 26-30 employees, 31-50 employees, 51-200 employees and more than 200 employees (NSO, 2012). So the definition of firm can be measured by the number of Employees And A Basic Income. The Purpose Of This Research Study Group Of Small Firm (1-9 Employees) Only.

### Characteristics of Small Firm

There are many small firms. One reason is that many researchers have conducted a study on small firm frequently. Because small firm are extremely important issues that affect the world economy (Yang, 2012). Small firm have a limit on the number of employees, The funds, assets, reputation and management professionals. They should be encouraged to lend money or invest more (Schaper, 2006).

This study small firm northeastern found, The majority owner is managed, Working with themselves (Siriphatrasophon and Piriyatanarak, 2013). Most of the owners of the education level is not very high, Investment capital

comes from the first family, The accumulation of work experience prior to founding the operators themselves. The number of small firm in the northeastern of the country with the most. Employees of approximately 2-3 people per establishment to streamline the operation, reduce costs, minimize fraud. One important characteristic is that the owners are interested, Like in goods and services operations, which result from direct learning experience as well. Understand their own market, Known customer targets, Have a regular customer, Have a good relationship with customers. Forms of business "Do as you do" mean by their own abilities, Do not invest too, Competition with myself rather than to compete with competitors. The small firm has established a network of business similar to the target share for the same amount of work done on more than the going rate for some time.

**Table 2: The Firms Divided by Region**

Region	Firms
Bangkok	296,142
Metropolitan	176,183
Central	365,468
North	440,004
Northeast	650,306
South	326,766
<b>Total</b>	<b>2,254,869</b>

NSO. (2012)

The data in Table 2 can be calculated that small firm with a total of 617,791 of the Northeastern region.

## **Environment of Small Firm Used the Internet**

### **Elements on the use of the Internet**

The concept of using information technology as a concept involving multiple disciplines, depending on the application and applied (Kenneth and Jane, 2006). It is divided into two related concepts. The first one is a technical approaches related fields, including management science, Computer science and operations research. The second priority is the behavioral Approaches, including related fields, Economics, Psychology and sociology. When it comes to internet usage in sociology is meant to be used with no use. Small firm, a unit of economic growth as soon as possible, They are related to the use of information technology (IS). Factor influence the use of the internet include usefulness, Cost, Compatibility, Top management support, Competitive advantage, size-on the adoption of computer-mediated communication technologies (Premkumar, 2003). The concept of using information technology, mainly the use of the internet. Factors influencing the use of the internet offered, Type of firm, Products / Services, Staffing, Turnover, Years on the Net and Key reasons for using the Net (Simpson and Paula, 1997).

### **The Basic Resources of the Internet use**

Based on the resource based view (RBV) or resource -based theory (RBT) of firm (Amit and Schoemaker, 1993). Has confirmed the persistence of firms in developing or treat the best resources (Nelson and Winter 1982). Features of the resources being used to enhance the competitive performance and sustainability, It should also include a feature the valuable, Rare, Inimitable Non-substitutable (Barney, 1991; Barney, 2001). However, if the theory is based on the concept of small firm used the internet. It is a valuable or rare (Wowak et al., 2013). Because of the employees to deal with complex situations, Improve services and respond quickly to service (Bitner et al., 2000; Rust and Miu, 2006). The use of the internet can be divided into three categories that include different, First is the physical resources such as internet infrastructure, Second is human resource such as the skills in using the internet, Third is organization resources such as the

internet management process (Kraaijenbrink et al., 2010).

### Environment of Small Firm used the Internet

The results found that the driving forces affecting the business environment about the use of internet of small firm in northeastern Thailand. Small enterprises that use the internet, most have more than one type of IT equipment for use to facilitate business operations, such as TV, CCTV, Computer, Printer, etc. All equipment is likely to involve the use of internet, Broadband internet in a surcharge at a level that firms can easily pay 600-800 baht per month. Most small enterprises are persons using the internet to practice regularly. Average, more than three years for use as an e-mail, search for information about products and services, news and downloads, etc. The use of internet-related business operations is increasing. Information about the operation on more online. Working through more online. Internet Service Provider (ISP) reflects that internet users have long used the internet more. Sometimes internet network is not available. To receive complaints from users with increased frequency. It would be more intense. NBTC has a fair amount to get more complaints.

### CONCLUSIONS AND DISCUSSIONS

The development of information technology of small firm such as, communication, digital divide, globalization, etc. It is the old paradigm that caused all social forces to use information technology more. The digital economy is a new paradigm that focuses on the business model that almost all agencies must be involved in increasingly digital, nearly everything is digital or internet of thing more. Small firm should be studied, to plan ahead and prepare for the transition to the competitive performance to strengthen and survive.

The cooperation of the AEC formed in 2015, it is particularly challenging for small firm within the country will be affected as much. Competition from existing domestic customers have a population of 60 million people to 500 million people as a social competition, 10 countries immediately. It is therefore necessary to understand and study the impact of the environment using the internet, the dynamics of small firm, more broadly, to strengthen the implementation of sustainable business further.

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